

Federal Housing Finance Board

§ 933.22

from the date of approval of membership.

(c) *Commencement of membership.* An institution that has been approved for membership shall become a member at the time it purchases its minimum stock requirement or the first installment thereof pursuant to this section.

(d) *Failure to purchase minimum stock requirement.* If an institution that has submitted an application and been approved for membership fails to purchase its minimum stock requirement or its first installment within 60 calendar days of the date of its approval for membership, such approval shall be null and void and the institution, if it wants to be a member, shall be required to submit a new application for membership.

(e) *Reports.* The Bank shall make quarterly reports to the Board setting forth purchases by institutions approved for membership of their minimum stock requirement pursuant to this section.

[58 FR 43542, Aug. 17, 1993; 58 FR 47181, Sept. 7, 1993. Redesignated and amended at 61 FR 42542, 42549, Aug. 16, 1996; 63 FR 40024, July 27, 1998; 63 FR 65692, Nov. 30, 1998]

§ 933.21 Issuance and form of stock.

(a) A Bank shall issue to each new member, as of the effective date of membership, stock in the member's name for the amount of stock purchased and paid for in full.

(b) If the member purchases stock in installments, the stock shall be issued in installments with the appropriate number of shares issued after each payment is made.

(c) Stock may be issued in certificated or uncertificated form at the discretion of the Bank.

(d) A Bank may convert all outstanding certificated stock to uncertificated form at its discretion.

§ 933.22 Adjustments in stock holdings.

(a) *Adjustment in general.* A Bank may from time to time increase or decrease the amount of stock any member is required to hold.

(b)(1) *Annual adjustment.* A Bank shall calculate annually, in the manner set forth in § 933.20(a) of this part, each member's required minimum holdings of stock in the Bank in which it is a member using calendar year-end financial data provided by the member to the Bank, pursuant to § 933.31(d) of this part, and shall notify each member of the adjustment. The notice shall clearly state that the Bank's calculation of each member's minimum stock holdings is to be used to determine the number of votes that the member may cast in that year's election of directors and shall identify the state within the district in which the member will vote. A member that does not agree with the Bank's calculation of the minimum stock requirement or with the identification of its voting state may request the Finance Board to review the Bank's determination. The Finance Board shall promptly determine the member's minimum required holdings and its proper voting state, which determination shall be final.

(2) *Redemption of excess shares.* If, after the annual adjustment required by paragraph (b)(1) of this section is made, the amount of stock that a member is required to hold is decreased, the Bank may, in its discretion and upon proper application of the member, retire such excess stock, and the Bank shall pay for each share upon surrender of the stock an amount equal to the par value thereof (except that if at any time the Board finds that the paid-in capital of a Bank is or is likely to be impaired as a result of losses in or depreciation of the assets held, the Bank shall on the order of the Board withhold from the amount to be paid in retirement of the stock a *pro rata* share of the amount of such impairment as determined by the Board) or, at its election, the Bank may credit any part of such payment against the member's debt to the Bank.

(c) A member's stock holdings shall not be reduced under this section to an amount less than required by sections

§ 933.23

6(b), 10(c) and 10(e) of the Act, 12 U.S.C. 1426(b), 1430(c), 1430(e).

(The information collection requirements contained in this section have been approved where applicable by the Office of Management and Budget under control number 3069-0004)

[58 FR 43542, Aug. 17, 1993, as amended at 58 FR 50837, Sept. 29, 1993; 58 FR 53023, Oct. 13, 1993; 58 FR 58231, Oct. 29, 1993. Redesignated and amended at 61 FR 42542, 42549, Aug. 16, 1996; 63 FR 65692, Nov. 30, 1998]

§ 933.23 Purchase of excess stock.

A member may purchase stock in excess of the minimum amount required by § 933.20(a) of this part as long as such purchase is approved by the member's Bank and the laws under which the member operates permit such purchase.

[58 FR 43542, Aug. 17, 1993. Redesignated and amended at 61 FR 42542, 42549, Aug. 16, 1996]

Subpart E—Consolidations Involving Members

SOURCE: 58 FR 43542, Aug. 17, 1993, unless otherwise noted. Redesignated at 61 FR 42542, Aug. 16, 1996.

§ 933.24 Consolidations of members.

(a) *Consolidation of members in same district*—(1) Upon consolidation of two or more member institutions which are all members of the same Bank district into one institution operating under the charter of one of the consolidating institutions, the transfer of the Bank stock held by the disappearing institution(s) to the consolidated institution shall be deemed approved by the Board pursuant to section 6(f) of the Act, 12 U.S.C. 1426(f).

(2) The stock of the disappearing institution(s) held by a consolidated institution under this section may be redeemed, provided that the consolidated institution holds the minimum amount of stock calculated in the manner set forth in § 933.20(a) of this part based on the consolidated institution's total assets and the consolidated institution's stock holdings are not reduced to an amount less than required by sections 6(b), 10(c) and 10(e) of the Act, 12 U.S.C. 1426(b), 1430(c), 1430(e).

12 CFR Ch. IX (1–1–99 Edition)

(b) *Consolidation of members in different districts*—(1) *Termination of membership*. Upon consolidation of two member institutions which are members of different Banks into one institution operating under the charter of one of the consolidating institutions, the disappearing institution's membership terminates upon cancellation of its charter, except that if more than 80 percent of the assets of the consolidated institution are derived from the assets of the disappearing institution, then the consolidated institution shall continue to be a member of the Bank of which the disappearing institution was a member prior to the consolidation and the membership of the other institution terminates upon consummation of the consolidation.

(2) *Treatment of outstanding advances and Bank stock*. The liquidation of any outstanding indebtedness owed to the disappearing institution's Bank and redemption of stock of such Bank shall be carried out in accordance with § 933.29 of this part.

(3) *Dividends on acquired Bank stock*. The consolidated institution is entitled to receive dividends on outstanding Bank stock acquired in the consolidation from the disappearing institution in accordance with section 6(g) of the Act, 12 U.S.C. 1426(g), and § 934.17 of this chapter.

[58 FR 43542, Aug. 17, 1993. Redesignated and amended at 61 FR 42542, 42549, Aug. 16, 1996; 63 FR 65692, Nov. 30, 1998]

§ 933.25 Consolidations involving non-members.

(a) *Termination of membership*. If a member is consolidated into an institution that is not a member, its membership in the Bank terminates upon cancellation of its charter.

(b) *Notification of decision to seek membership*. When a consolidated institution resulting from a consolidation described in paragraph (a) of this section has its principal place of business in a state in the same Bank district as the disappearing institution, the consolidated institution shall have 60 calendar days after the cancellation of the charter of the disappearing institution to notify the disappearing institution's Bank that it intends to apply for membership in such Bank.